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KONG KIN LOONG & ANOR v. KONG SOU KEET & ORS

HIGH COURT MALAYA, KUALA LUMPUR
WONG KIAN KHEONG J
[ORIGINATING SUMMONS NO: WA-24IP-29-12-2017]
21 AUGUST 2018

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INTELLECTUAL PROPERTY: *Trade marks – Registration – Appeal against decision of Registrar of Trade Mark allowing registration of combined trade mark for goods – Whether applicant common law proprietor and owner of mark – Whether use of mark would cause likelihood of deception/confusion among public – Whether mark distinctive of goods – Whether other partners in partnership must be named as co-applicants when applying for registration of trade mark – Whether applicant first user of mark – Whether application bona fide – Trade Marks Act 1976, ss. 10, 14, 19, 25 & 28*

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CIVIL PROCEDURE: *Originating summons – Appeal – Appeal against decision of Registrar of Trade Mark allowing registration of combined trade mark for goods – Appellants opposed registration in notice of opposition and later filed originating summons – Originating summons contained new grounds not stated in notice of opposition – Whether appellants barred from relying on new grounds to support originating summons – Trade Marks Act 1976, s. 28(7)*

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The Registrar of Trade Marks ('Registrar') had allowed the respondents' ('the defendants') application for the registration of a combined trade mark ('Chang Jiang mark') for goods in Class 30, which included, *inter alia*, coffee and tea. The appellants ('plaintiffs') opposed the registration, in their notice of opposition, on the grounds that: (i) the plaintiffs were the common law proprietors of the 'Chang Jiang Confectionary' ('plaintiffs' mark') for goods in Class 30 and the Registrar's decision breached s. 25(1) of the Trade Marks Act 1976 ('TMA') as the first appellant ('first defendant') was not the owner of the Chang Jiang mark; (ii) the use of the Chang Jiang mark on the first defendant's goods caused a likelihood of deception/confusion among the public with regard to the use of the plaintiffs' mark on the plaintiffs' goods. The Registrar's decision would therefore be contrary to ss. 14 and 19 of the TMA; and (iii) the plaintiffs' mark was distinctive of the plaintiffs' goods within the meaning of s. 10 of the TMA and consequently, the Chang Jiang mark was not distinctive of the first defendant's goods. In the present originating summons ('OS'), the plaintiffs submitted the following grounds ('new grounds'), which were not stated in their notice of opposition: (i) the defendants were partners of a business called 'Chang Jiang White Coffee Enterprise ('defendants' firm') and the first defendant's application was defective for not naming the second and third defendants as co-applicants; (ii) the defendants had no *bona fide* intention to use the Chang Jiang marks for their goods in 1996. The defendants only sold their goods by the use of

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the Chang Jiang mark in 2002. Since 2006, the defendants did not use the Chang Jiang mark in the business of the defendants' firm. The registration of the defendants' firm had expired on 12 May 2012 and as such, the defendants' firm had abandoned the use of the Chang Jiang mark; (iii) the first common law owner of the Chang Jiang mark was one Mr Kong who had not assigned the same to the defendants, on the contrary, by way of a letter, Mr Kong had granted the first plaintiff the exclusive right to use and register the Chang Jiang mark; and (iv) the first appellant ('first plaintiff') had used the Chang Jiang mark in his business which was later sold to the plaintiffs' partnership, Chang Jiang Confectionary ('plaintiffs' firm'). The plaintiffs' firm had continuously used the plaintiffs' mark and had a goodwill in Malaysia, Singapore, Thailand, China and Hong Kong. The issues that arose for adjudication were: (i) whether the plaintiffs could cite the second and third appellants ('second and third defendants') as co-defendants when they did not apply to register the Chang Jiang mark; (ii) whether the plaintiffs were barred by s. 28(7) of the TMA from relying on grounds to support this OS when those grounds had not been stated in the plaintiffs' opposition to the first defendant's application to register the Chang Jiang marks; (iii) who was the first *bona fide* user in the course of trade of the Chang Jiang mark; (iv) if a partnership is the owner of trade mark, (a) whether one partner of the firm could apply for the registration of the trade mark without joining the other partners; and (b) whether the expiry of the registration of the partnership business, under the Registration of Businesses Act 1956 ('RBA'), amounted to an abandonment of the trade mark by the partnership; (v) whether a likelihood of deception/confusion, as stated in the first limb of s. 14(1) of the TMA, applied to the first user; (vi) whether the Chang Jiang mark was distinctive of the first defendant's goods within the meaning of s. 10(2A), (2B)(a) and (b) of the TMA; and (vii) whether the court had the power under s. 28(4)(a) to (c) and (6) of the TMA to order the Registrar to register the plaintiffs' mark for goods in Class 30.

Held (dismissing originating summons):

(1) The second and third defendants could not be cited in this OS. An appeal to the High Court, against the Registrar's decision under s. 28(5) of the TMA, could only be instituted against parties who were previously before the Registrar. The first defendant was the sole applicant to register the Chang Jiang mark under s. 25(1) of the TMA, evinced by Form TM5. As the second and third defendants were not parties before the Registrar, the plaintiffs should not have cited them in the OS. Furthermore, the second and third defendants did not adduce any evidence before, nor submit any written submission to, the Registrar. It was unjust to cite the second and third defendants in this OS when they

have not been given any opportunity to adduce evidence and to submit to the Registrar. The OS against the second and third defendants was dismissed with costs. (paras 7 & 8)

(2) The plaintiffs were barred by s. 28(7) of the TMA from relying on the new grounds. Section 28(7) of the TMA provides that no further grounds of objection to the registration of the Chang Jiang mark 'shall' be allowed to be taken by the plaintiffs other than those stated by the plaintiffs in the notice of opposition except by leave of the court. The word 'shall', in s. 28(7) of the TMA, is mandatory. The plaintiffs had not applied, pursuant to s. 28(7) of the TMA, to the High Court for leave to rely on the new grounds. (para 9)

(3) The first defendant was the first user of the Chang Jiang mark. This was supported by Nanyang, the Chinese newspaper publication, which contained photographs of, among others, coffee products with the Chang Jiang name and the first defendant making coffee. No one complained that the publication was false or erroneous. The plaintiffs did not adduce any evidence to prove that the contents of the publication was untrue. As the first defendant was the first user, she was also the common law proprietor and, therefore, entitled to register the Chang Jiang mark under s. 25(1) of the TMA. (paras 11 & 12)

(4) There is nothing in the TMA which prohibits a partner from applying in the partner's own name to register a trade mark which belongs to the partnership. According to s. 34(b) of the TMA, 'any equities in respect of a trade mark may be enforced in like manner as in respect of any other personal property'. If a partner has registered a trade mark which belongs to the partnership, in the partner's own name, the partner is the registered proprietor of the trade mark in trust for the partnership. (para 22)

(5) The expiry of registration of a business, under the RBA, does not necessarily mean that the business has, in fact, ceased or that the business actually stopped using a trade mark. The first defendant gave a reasonable explanation as to why registration of the defendants' firm lapsed – the business was transferred to Chang Jiang White Coffee Marketing. If a business has stopped the use of a trade mark in the course of trade, such a cessation does not amount to an abandonment of the trade mark by the business. (para 24)

(6) The plaintiffs could not avail themselves of s. 19(1)(a) or (b) of the TMA because those provisions prohibit the registration of a trade mark which causes a likelihood of deception/confusion with another trade mark which has been registered. The first defendant was the first user of the Chang Jiang mark. The likelihood of deception/confusion requirement

in the first limb of s. 14(1)(a) of the TMA does not apply to a first user. At the time of the first use of the trade mark in question, there was no use of other similar trade marks which could cause a likelihood of deception/confusion. The onus is also on the trader, other than the first user, not to use trade marks which may cause a likelihood of deception/confusion with the first user's trade mark. (paras 25 & 26)

(7) There was neither evidence nor reason for the court to intervene regarding the Registrar's decision that the Chiang Jiang mark was distinctive of the first defendant's goods. Such a decision was premised on the following evidence and reasons: (i) the Chang Jiang mark was inherently distinctive under s. 10(2A) and (2B)(a) of the TMA because other traders were not likely, in the ordinary course of their business and without any improper motive, to desire to use the Chang Jiang mark, or some mark nearly resembling the Chang Jiang mark, upon or in connection with their own goods; (ii) the Chang Jiang mark was factually distinctive of the first defendant's goods, within the meaning of s. 10(2A) and (2B)(b) of the TMA, because there was evidence of use of that mark by the first defendant; and (iii) in view of the above-mentioned (i) and (ii), the Chang Jiang mark was 'capable of distinguishing' the meaning of s. 10(2A), (2B)(a) and (b) of the TMA. (para 30)

(8) The court could not allow the plaintiffs' application to direct the Registrar to register the plaintiffs' mark for goods in Class 30 as the court only has the powers, under s. 28(4)(a) to (c) and (6) of the TMA to: (i) uphold a Registrar's decision to register a trade mark absolutely; (ii) affirm a Registrar's decision to register a trade mark and impose any condition, amendment, modification or limitation regarding the use of the trade mark; (iii) reverse a Registrar's decision to register a trade mark; or (iv) reverse a Registrar's refusal to register a trade mark and order the trade mark to be registered, either absolutely or subject to any condition, amendment, modification or limitation. Furthermore, the Registrar has a discretionary power, under s. 25(3) of the TMA to decide the plaintiffs' application. The court should not usurp the statutory power, conferred by Parliament on the Registrar under s. 25(3) of the TMA, to allow the plaintiffs' application. (para 31)

Case(s) referred to:

Ad-Lib Club Ltd v. Granville [1971] 2 All ER 300 ***(refd)***

BRG Brilliant Rubber Goods (M) Sdn Bhd v. Santa Barbara Polo & Racquet Club Management Inc; Pendaftar Cap Dagangan, Malaysia (Interested Party) And Another Case [2015] 4 CLJ 1062 HC ***(refd)***

Hyundai Motor Company v. Sun Yuen Rubber Manufacturing Co Sdn Bhd [2017] 1 LNS 731 HC ***(refd)***

Kraft Foods Schweiz Holding GmbH v. Pendaftar Cap Dagangan [2016] 9 CLJ 558 HC ***(refd)***
Lim Teck Lee (Malaysia) Sdn Bhd v. Longcane Industries Sdn Bhd [2017] 1 LNS 604 HC ***(refd)***
Lim Yew Sing v. Hummel International Sports & Leisure A/S [1996] 4 CLJ 784 CA ***(refd)***
Luggage Distributors (M) Sdn Bhd v. Tan Hor Teng & Anor [1995] 2 CLJ 713 CA ***(refd)***
Merck KGaA v. Leno Marketing (M) Sdn Bhd; The Registrar of Trade Marks (Interested Party) [2018] 6 CLJ 167 FC ***(refd)***
Mesuma Sports Sdn Bhd v. Majlis Sukan Negara Malaysia; Pendaftar Cap Dagangan Malaysia (Interested Party) [2015] 9 CLJ 125 FC ***(refd)***
Mohan Chatram Mt Ramchandani v. Ketua Pengarah Insolvensi Wilayah Persekutuan Kuala Lumpur [2015] 3 CLJ 354 HC ***(refd)***
Re W & G Du Cros Ltd's Application [1913] AC 624 ***(refd)***
Reckitt & Colman Products Ltd v. Borden Inc & Ors [1990] 1 All ER 873 ***(refd)***
Sanmaru Overseas Marketing Sdn Bhd & Anor v. PT Indofood Interna Corp & Ors [2009] 3 CLJ 10 CA ***(refd)***
Tenaga Nasional Bhd v. Api-api Aquaculture Sdn Bhd [2015] 1 LNS 65 HC ***(refd)***
Tokai Corporation v. DKSH Malaysia Sdn Bhd [2016] 1 LNS 1092 HC ***(refd)***
Yong Teng Hing B/S Hong Kong Trading Co & Anor v. Walton International Ltd [2012] 6 CLJ 337 FC ***(refd)***
Yorkshire Copper Works Ltd v. Registrar of Trade Marks [1954] 1 All ER 570 ***(refd)***

Legislation referred to:
Evidence Act 1950, s. 103
Rules of Court 2012, O. 7 r. 2(1A), (2), O. 28 r. 3C(1), (3), O. 32 r. 1, O. 38 r. 2(2), O. 41 r. 5(1), O. 55A r. 1(1), O. 87 r. 3
Trade Marks Act 1976, ss. 3(2)(a), (b), 10(2A), (2B)(a), (b), 14(1)(a), 19(1)(a), (b), 25(1), 28(4)(a), (b), (c), (5), (6), (7), 45(1)(a), 46(1)(a), (b)
Trade Marks Regulations 1997, reg. 18(1)
Trade Marks Act 1938 [UK], s. 9(2), (3)(a), (b)

For the plaintiffs - Andrew Yee Pau Onn & Gokila Wani; M/s Mohd Ravi, Andrew & Assocs
For the defendants - Melissa Long Lai Peng & Lam Rui Rong; M/s Skrine

Reported by Najib Tamby

JUDGMENT

(Encl. no 1)

Preliminary Matters

[1] This originating summons (OS) concerns a decision dated 23 November 2017 by the Registrar of Trade Marks (Registrar) which has allowed the registration of a combined trade mark, "Chang Jiang" mark (Chang Jiang mark) for goods in Class 30 (which include, among others, coffee and tea) (Registrar's decision). A copy of Chang Jiang mark is attached to this judgment as "Annexure A".

[2] The following preliminary matters regarding this OS should be addressed:

(i) Order 7 r. 2(2) of the Rules of Court 2012 (RC) provides that a party taking out an OS (other than an *ex parte* OS) "shall" be described as the plaintiff and the other parties "shall" be described as defendants – please see *Mohan Chatram Mt Ramchandani v. Ketua Pengarah Insolvensi Wilayah Persekutuan Kuala Lumpur* [2015] 3 CLJ 354; , at para. [2]. Accordingly, based on O. 7 r. 2(2) RC I shall refer to the "appellants" and "respondents" named in this OS as "plaintiffs" and "defendants" respectively;

(ii) the intitulement to this OS states this OS is filed pursuant to O. 55A RC. I refer to the following provisions in the RC:

> O. 7 r. 2(1A)
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> *Every [OS] shall state in its intitulement any provision of (RC) and any provision of any written law under which the Court is being moved.*
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> O. 55A r. 1(1)
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> *Where under any written law an appeal lies from any decision of any person or body of persons to the High Court such appeal shall be made to the High Court in the State where the decision was given by way of an [OS]* setting out the grounds of appeal and supported by an affidavit, and if the Court so directs at the hearing of the appeal, by way of oral evidence.
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> O. 87 r. 1 Interpretation
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> In this Order:
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> *"the Act" means the Trade Marks Act 1976 [TMA];*
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> …
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> *Appeals by [OS]*
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> O. 87 r. 3 *An appeal to the Court under the Act shall be brought by [OS] within one calendar month from the date of decision appealed against.* (emphasis added).

It is not disputed that this OS is an appeal against the Registrar's decision under s. 28 TMA. The relevant part of s. 28 TMA reads as follows:

> *Opposition to registration*
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> *s. 28(1) Any person may, within the prescribed time from the date of the advertisement of an application for the registration of a trade mark, give notice to the Registrar and applicant of opposition to the registration.*
>
> *(2) The notice shall be given in writing in the prescribed manner and shall include a statement of the grounds of opposition.*
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> …

A *(4) After considering the evidence and exhibits and after giving the applicant and the opponent an opportunity of making written submissions, the Registrar shall decide whether*:

(a) *to refuse to register the trade mark;*

(b) *to register the trade mark absolutely; or*

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(c) *to register the trade mark subject to such conditions, amendments, modifications or limitations as he may think fit.*

(5) A decision of the Registrar under subsection (4) is subject to appeal to the Court.

C *(6) An appeal under this section shall be made in the prescribed manner and the Court shall, if required, hear the parties and the Registrar, and shall make an order determining whether, and subject to what conditions, amendments, modifications or limitations, if any, registration is to be permitted.*

D *(7) On the hearing of an appeal under this section any party may, either in the manner prescribed or by special leave of the Court, bring forward further material for the consideration of the Court but no further grounds of objection to the registration of a trade mark shall be allowed to be taken by the opponent or the Registrar other than those stated by the opponent except by leave of the Court. …* (emphasis added).

E Firstly, as required by O. 7 r. 2(1A) RC, the intitulement of this OS should have stated s. 28 TMA, in particular its sub-s. (5), as one of the provisions of written law for moving this court.

Secondly, O. 87 r. 3 RC has specifically provided for appeals against
F Registrar's decisions to the High Court under TMA. Order 55A r. 1(1) RC is a general provision for appeals to the High Court as provided by any written law. According to the maxim of construction of statutes, *generalia specialibus non derogant*, a specific provision in a statute should be preferred to a general statutory provision, irrespective of whether the provisions are in the same statute or otherwise – please see Gopal Sri
G Ram JCA's (as he then was) judgment in the Court of Appeal case of *Luggage Distributors (M) Sdn Bhd v. Tan Hor Teng & Anor* [1995] 2 CLJ 713; [1995] 1 MLJ 719, at 758-759. Accordingly, in compliance with O. 7 r. 2(1A) RC, the intitulement of this OS should have stated O. 87 r. 3 RC (instead of O. 55A RC) as the second provision of written law
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(iii) on the hearing date of this OS, I have informed learned counsel for all parties regarding the two above preliminary matters. Consequently, the

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plaintiffs' learned counsel orally applied to amend this OS to comply with O. 7 r. 2(1A) and (2) RC (oral application). The defendants' learned counsel was magnanimous and did not object to the oral application. Hence, I allowed the oral application with no order as to costs; and

(iv) the plaintiffs have obtained leave of court to discontinue this OS against the Registrar with no liberty to file afresh and with no order as to costs.

Issues

[3] The following questions arise in this OS:

(i) can the plaintiffs cite the second and third defendants ("second defendant" and "third defendant") as co-defendants in this OS when the second and third defendants did not apply to register Chang Jiang mark? This is a novel question;

(ii) whether the plaintiffs are barred by s. 28(7) TMA from relying on grounds to support this OS when those grounds have not been stated in the plaintiffs' opposition to the first defendant's (first defendant) application to register Chang Jiang mark (first defendant's application);

(iii) who was the first *bona fide* user in the course of trade (first user) of Chang Jiang mark? In this regard, whether the court can consider the following evidence as "use" of Chang Jiang mark within the meaning of s. 3(2)(a) and (b) TMA:

(a) the registration date of a business under the Registration of Businesses Act 1956 (RBA); and

(b) a letter dated 21 October 1996 (Mr. Kong's letter) written by Mr. Kong Wing Kheong (Mr. Kong);

(iv) if a partnership is the owner of a trade mark:

(a) whether one partner of the firm can apply for the registration of the trade mark without joining the other partners; and

(b) whether the expiry of the registration of the partnership's business under RBA amounts to an abandonment of the trade mark by the partnership;

(v) whether a likelihood of deception or confusion as stated in the first limb of s. 14(1)(a) TMA (likelihood of deception/confusion) applies to a first user. I am not able to find any previous Malaysian case on this issue;

(vi) is Chang Jiang mark distinctive of the first defendant's goods within the meaning of s. 10(2A), (2B)(a) and (b) TMA?; and

(vii) whether the court has power under s. 28(4)(a) to (c) and (6) TMA to order the Registrar to register the plaintiffs' trade mark known as

A "Chang Jiang confectionary" mark (plaintiffs' mark) for goods in Class 30. The plaintiffs have filed application no. 04020745 to the Registrar to register the plaintiffs' mark. A copy of the plaintiffs' mark is attached to this judgment as "Annexure B".

Plaintiffs' Case

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[4] The plaintiffs had given to the Registrar their notice of opposition to the first defendant's application (notice of opposition). According to the notice of opposition, the grounds advanced by the plaintiffs to oppose the first defendant's application are as follows:

C (i) the plaintiffs are the common law proprietors of the plaintiffs' mark for goods in Class 30. As such, the Registrar's decision breaches s. 25(1) TMA because the first defendant is not the owner of Chang Jiang mark;

(ii) the use of Chang Jiang mark on the first defendant's goods causes a likelihood of deception/confusion among the public with regard to the D use of the plaintiffs' mark on the plaintiffs' goods. The Registrar's decision would therefore be contrary to ss. 14 and 19 TMA; and

(iii) the plaintiffs' mark is distinctive of the plaintiffs' goods within the meaning of s. 10 TMA. Consequently, Chang Jiang mark is not distinctive of the first defendant's goods.

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[5] The plaintiffs' affidavits in support of this OS have averred the following grounds which are not stated in the notice of opposition (new grounds):

(i) the defendants were partners of a business called "Chang Jiang White F Coffee Enterprise" (defendants' firm). The first defendant's application is defective for not naming the second and third defendants as co-applicants with the first defendant;

(ii) the defendants had no *bona fide* intention to use Chang Jiang mark for their goods in 1996. The defendants had only sold their goods by the use G of Chang Jiang mark in 2002. Since 2006, the defendants did not use Chang Jiang mark in the business of the defendants' firm. The registration of the defendants' firm under RBA had expired on 12 May 2012. As such, the defendants' firm had abandoned the use of Chang Jiang mark;

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(iii) the first common law owner of Chang Jiang mark is Mr. Kong who has not assigned Chang Jiang mark to the defendants. On the contrary, by way of Mr. Kong's letter, Mr. Kong has granted the first plaintiff the exclusive right to use and register Chang Jiang mark.

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The first defendant has exhibited Mr. Kong's statutory declaration affirmed on 13 February 2018 (Mr. Kong's SD). Mr. Kong's SD stated, among others, that he had not signed Mr. Kong's letter in 1996.

The plaintiffs subsequently exhibited a police report lodged by Mr. Kong on 22 February 2018 (Mr. Kong's police report). In Mr. Kong's police report, Mr. Kong alleged that he had been coerced by, among others, the first defendant and the defendants' solicitors, to affirm Mr. Kong's SD before a Commissioner for Oaths (CO); and

(iv) the first plaintiff (first plaintiff) has first used Chang Jiang mark on 30 October 1996 in his business, "Pusat Selera Chang Jiang" (first plaintiff's business). The first plaintiff's business was sold to the plaintiffs' partnership, "Chang Jiang confectionary" (plaintiffs' firm) in 2001. Since 2001, the plaintiffs' firm has continuously used the plaintiff's mark. The plaintiffs' firm has goodwill in the plaintiff's mark in Malaysia, Singapore, Thailand, China and Hong Kong.

Defendants' Case

[6] According to the defendants' affidavits filed in opposition to this OS, among others:

(i) the three defendants are sisters. The first plaintiff is the younger brother of the defendants. Mr. Kong is the father of the first plaintiff and defendants. The second plaintiff is the first plaintiff's wife;

(ii) Chang Jiang mark was inspired by the name of a business, "Kedai Kopi Chang Jiang" (Chiang Jiang Coffee Shop), operated at no. 171, Jalan Pasir Puteh (ground floor), 31650 Ipoh. Chiang Jiang Coffee Shop was initially owned by Ms. Kong Fong Mee (Mr. Kong's sister) and Madam Soong Yoke Foong (defendants' mother) (Madam Soong). Mr. Kong and Madam Soong then operated Chiang Jiang Coffee Shop;

(iii) the ownership of Chiang Jiang Coffee Shop was transferred to the first defendant on 12 December 1995. Chiang Jiang Coffee Shop is now owned by Mr. Kong Kin Yong (defendants' youngest brother) (Mr. KKY);

(iv) in or around 1996, the defendants started a business to roast and package coffee beans for sale by using Chang Jiang mark. For this business, the defendants rented a factory space where they personally roasted and packaged coffee beans with Chang Jiang mark;

(v) the defendants formed the defendants' firm which was registered under RBA on 6 March 1997. In 1996, the defendants were the first users of Chang Jiang mark and the name "Chang Jiang White Coffee" for products manufactured, distributed and sold by the defendants' firm;

(vi) the business of the defendants' firm has been transferred to Chang Jiang White Coffee Marketing Sdn. Bhd., a company owned by the defendants (CJWCM);

(vii) the first plaintiff used to work for the defendants' firm but left the defendants' firm in 2001 due to a disagreement. The defendants did not authorise the first plaintiff to use Chang Jiang mark. Nor did the defendants assign Chang Jiang mark to the first plaintiff;

(viii) the defendants had agreed for the first defendant's application to be made and upon the Registrar's approval of the first defendant's application, the first defendant would assign the registered Chang Jiang mark to CJWCM; and

(ix) the defendants' third affidavit affirmed by the first defendant on 21 March 2018 stated that the first defendant, Mr. KKY and his wife, had jointly made a police report on 21 March 2018. However, the police report exhibited in that affidavit stated the police report had only been made by the first defendant (first defendant's police report). The first defendant's police report stated, among others, that Mr. Kong's SD was affirmed voluntarily by Mr. Kong before the CO and the first defendant did not coerce Mr. Kong to affirm Mr. Kong's SD.

Can Second And Third Defendants Be Cited In This OS?

[7] I am of the view that the second and third defendants cannot be cited in this OS. This decision is premised on the following reasons:

(i) an appeal to the High Court against the Registrar's decision under s. 28(5) TMA can only be instituted against parties who are previously before the Registrar. The first defendant is the sole applicant to register Chang Jiang mark under s. 25(1) TMA. This is clear from Form TM5 in this case. Regulation 18(1) of the Trade Marks Regulations 1997 provides that an application for the registration of a trade mark shall be made in Form TM5. As the second and third defendants were not parties before the Registrar, the plaintiffs should not have cited them in this OS; and

(ii) the second and third defendants did not adduce any evidence before the Registrar. Nor did the second and third defendants submit any written submission to the Registrar. It is therefore unjust to cite the second and third defendants in this OS when they have not been given any opportunity to adduce evidence and to submit to the Registrar.

[8] Based on the reasons stated in the above para. [7], this OS against the second and third defendants, is dismissed with costs.

Whether Plaintiffs Can Rely On New Grounds

[9] I accept the defendants' contention that the plaintiffs are barred by s. 28(7) TMA from relying on new grounds. This is due to the following reasons:

(i) sub-section 28(7) TMA has provided that no further grounds of objection to the registration of Chang Jiang mark "shall" be allowed to be taken by the plaintiffs other than those stated by the plaintiffs in the notice of opposition except by leave of the court. The word "shall" in s. 28(7) TMA is mandatory;

(ii) in this case, the plaintiffs have not applied pursuant to s. 28(7) TMA by way of a notice of application under O. 32 r. 1 RC (which has to supported by an affidavit) to the High Court for leave to rely on new grounds; and

(iii) the following cases support the above construction of s. 28(7) TMA:

(a) the Federal Court's judgment delivered by Md. Raus Sharif CJ in *Merck KGaA v. Leno Marketing (M) Sdn Bhd, The Registrar of Trade Marks (Interested Party)* [2018] 6 CLJ 167, at para. [76]; and

(b) Azizah Nawawi J's judgment in the High Court case of *BRG Brilliant Rubber Goods (M) Sdn Bhd v. Santa Barbara Polo & Racquet Club Management Inc (Pendaftar Cap Dagangan Malaysia, Third Party) and Another Case* [2015] 4 CLJ 1062; [2017] 7 MLJ 244, at paras. [22] and [23].

Who Was First User Of Chang Jiang Mark?

[10] Section 25(1) TMA provides as follows:

> s. 25 *Registration*
>
> (1) *Any person claiming to be the proprietor of a trade mark used or proposed to be used by him may make application to the Registrar for the registration of that mark in the Register in the prescribed manner.* (emphasis added).

Azahar Mohamed FCJ has decided in the Federal Court case of *Mesuma Sports Sdn Bhd v. Majlis Sukan Negara Malaysia; Pendaftar Cap Dagangan Malaysia (Interested Party)* [2015] 9 CLJ 125; [2015] 6 MLJ 465, at paras. [37]-[47], that the first user of a trade mark is the common law proprietor of the trade mark and is thereby entitled to register the trade mark under s. 25(1) TMA.

[11] I accept the Registrar's decision that the first defendant is the first user of Chang Jiang mark. This finding is supported by "Nanyang" Chinese newspaper publication dated 17 September 1996 (Chinese newspaper publication), exh. KSK6 in the second affidavit affirmed by the first defendant on 19 January 2018. I admit and attach great weight to the Chinese newspaper publication for the following reasons:

(i) paragraph 19 of the second affidavit affirmed by the first defendant on 8 February 2018 had admitted, among others, that the Chinese newspaper publication was correct. In view of such an admission by the plaintiffs, I cannot accept the plaintiffs' contention that the contents of the Chinese newspaper publication constituted documentary hearsay evidence;

(ii) the Chinese newspaper publication contained photographs of, among others, coffee products with Chang Jiang name and the first defendant making coffee. It was held in *Tenaga Nasional Bhd v. Api-api Aquaculture Sdn Bhd* [2015] 1 LNS 65; [2015] 3 AMR 811, at para. [31], that photographs are admissible as evidence as an exception to the documentary hearsay rule. The decision in *Tenaga Nasional Bhd* has been affirmed by the Court of Appeal;

(iii) no one has complained that the Chinese newspaper publication is false or erroneous. The plaintiffs have not adduced any evidence in this case to prove that the contents of the Chinese newspaper publication regarding the first user of Chang Jiang mark by the first defendant is untrue; and

(iv) the Chinese newspaper publication was made by an independent party.

[12] As the first defendant is the first user of Chang Jiang mark, the first defendant is the common law proprietor of Chang Jiang mark and is therefore entitled to apply to register Chang Jiang mark under s. 25(1) TMA.

[13] The notice of opposition stated that the plaintiffs had used the plaintiffs' mark since 2001. The plaintiffs had not adduced any documentary evidence before the Registrar which could prove that the plaintiffs had used the plaintiffs' mark before the first defendant's use of Chang Jiang mark in 1996.

[14] The above para [a] has explained why the plaintiffs are not allowed to rely on new grounds to support this OS. Even if the plaintiffs are allowed to rely on new grounds regarding who is the first user of Chang Jiang mark, the new grounds materially contradict each other and the plaintiffs' position in the notice of opposition as follows:

(i) the notice of opposition (supported by a statutory declaration affirmed by both plaintiffs on 7 July 2008) stated that the plaintiffs had first used the plaintiffs' mark in 2001; and

(ii) according to the new grounds, Mr. Kong was the first common law owner of Chang Jiang mark. Such an assertion not only materially contradicts the plaintiffs' allegation in the notice of opposition (plaintiffs were first user of plaintiffs' mark) but is also inconsistent with another new ground (the first plaintiff's business was the first user of Chang Jiang mark on 30 October 1996).

[15] In *Hyundai Motor Company v. Sun Yuen Rubber Manufacturing Co Sdn Bhd* [2017] 1 LNS 731; [2017] MLJU 700, at paras. [49] and [50], it is decided that s. 3(2)(a) and (b) TMA have defined the meaning of "use" of a trade mark. Section 3(2)(a) and (b) TMA provides as follows:

> 3(2) In [TMA]:
>
> (a) *references to the use of a mark shall be construed as references to the use of a printed or other visual representation of the mark*;
>
> (b) *references to the use of a mark in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to, goods*; (emphasis added).

The decision in *Hyundai Motor Co* has been affirmed on appeal to the Court of Appeal.

[16] Based on the meaning of "use" of a trade mark in s. 3(2)(a) and (b) TMA, the registration dates of the plaintiffs' firm, defendants' firm and first plaintiff's business under RBA do not prove "use" of Chang Jiang mark. This is because RBA only provides for registration of a "business" (defined widely in s. 2 RBA) and does not provide for how the business is to be conducted, let alone how a trade mark is to be used by the business.

[17] Regarding Mr. Kong's letter, Mr. Kong's SD and Mr. Kong's police report (three documents), the three documents were merely exhibited in affidavits of the plaintiffs and first defendant. Mr. Kong did not affirm any affidavit in this OS to exhibit and explain the three documents. The first plaintiff and first defendant would not have personal knowledge of the truth of the contents of the three documents. Accordingly, the three documents constituted documentary hearsay evidence which is not admissible according to O. 41 r. 5(1) RC – please see Mahadev Shankar JCA's judgment in the Court of Appeal in *Lim Yew Sing v. Hummel International Sports & Leisure A/S* [1996] 4 CLJ 784; [1996] 3 MLJ 7, at 12, 15 and 16. Order 41 r. 5(1) RC provides as follows:

> O. 41 r. 5 **Contents of affidavit**
>
> (1) Subject to Order 14, rules 2(2) and 4(2), to paragraph (2) of this rule and to any order made under Order 38, rule 3, **an affidavit may contain only such facts as the deponent is able of his own knowledge to prove.** (emphasis added).

[18] There is another reason why Mr. Kong's SD is not admissible as evidence in this OS. In *Tokai Corporation v. DKSH Malaysia Sdn Bhd* [2016] 1 LNS 1092; [2016] MLJU 621, at sub-para. 16(1), it was held that by reason of O. 28 r. 3C(1), (3) and O. 38 r. 2(2) RC, evidence "shall" only be admitted in an OS by way of affidavits (not by way of SD). Order 28 r. 3C(1), (3) and O. 38 r. 2(2) RC provide as follows:

Supporting affidavits

O. 28 r. 3C

(1) Unless otherwise provided in any written law, *where the plaintiff intends to adduce evidence in support of an [OS], he shall do so by affidavit and shall file the affidavit or affidavits and serve a copy thereof on every defendant not later than seven days after the service of the [OS]*. …

(3) *Where the defendant intends to adduce evidence with reference to the [OS] served on him, he shall also do so by affidavit and the affidavit or affidavits shall be filed and a copy thereof shall be served on the plaintiff not later than twenty-one days after being served with a copy of the affidavit or affidavits by the plaintiff under paragraph (1).*

O 38 r 2(2)

(2) *In any cause or matter begun by [OS]* and on any application made by notice of application, *evidence shall be given by affidavit unless in the case of any such cause, matter or application any provision of these Rules otherwise provides or the Court otherwise directs,* but the Court may, on the application of any party, order the attendance for cross-examination of the person making any such affidavit, and where, after such an order has been made, the person in question does not attend, his affidavit shall not be used as evidence without the leave of the Court. (emphasis added).

[19] Even if Mr. Kong's letter is admissible as evidence in this case, I am of the view that the plaintiffs cannot rely on its contents in this case. This decision is based on the following reasons:

(i) Mr. Kong's letter stated as follows:

LETTER OF AUTHORISATION AND CONSENT

I, [Mr. Kong] (I/C No.3496485) of full age and a Malaysian citizen with an address at C/O Kedai Kopi Chang Jiang being the sole **common law proprietor of the brand name** [2 Chinese characters] (Chang Jiang) since the year 1988 and has granted [1st Plaintiff] (I/C No. A3503384) the exclusive right to use/register the brand [2 Chinese characters] (Chang Jiang) in form of the Trade Name and Marks in relation to business, trade and a range of related food and beverage products and services in Malaysia as well as other countries. (emphasis added).

Mr. Kong's letter did not constitute evidence of "use" of Chang Jiang mark as understood in s. 3(2)(a) and (b) TMA; and

(ii) I do not attach any weight to Mr. Kong's letter because:

(a) there is no evidence that Mr. Kong is literate in English. Nor is there evidence that Mr. Kong has qualifications, training or knowledge in law, in particular trade marks law. It is implausible for a lay person, such as Mr. Kong, to know about "common law" ownership of a trade mark;

(b) if Mr. Kong's letter were genuine, the first plaintiff would have relied on it in the notice of opposition. Incredulously, Mr. Kong's letter was not even exhibited in the first affidavit in support of this OS!; and

(c) Mr. Kong's letter was only exhibited in the second affidavit in support of this OS (affirmed by the first plaintiff on 8 February 2018). There is no explanation in the plaintiffs' affidavits why there was a delay of more than 21 years three months (from the date of Mr. Kong's letter (21 October 1996) to 8 February 2018) for the plaintiffs to disclose Mr. Kong's letter.

[20] As Mr. Kong's SD is not admissible as evidence in this OS (please see the above paras. [17] and [18]), Mr. Kong's police report and the first defendant's police report are irrelevant in the determination of this OS.

Whether Second And Third Defendants Should Have Applied To Register Chang Jiang Mark Together With First Defendant

[21] Firstly, the plaintiffs' contention that the first defendant's application is defective for not joining the second and third defendants as co-applicants, is barred by s. 28(7) TMA from being raised in this OS – please see the above para [9].

[22] Even if it is assumed that s. 28(7) TMA does not bar the plaintiffs from relying on the above contention, I cannot accede to such a contention. This is due to the following reasons:

(i) there is nothing in TMA which prohibits a partner from applying in the partner's own name to register a trade mark which belongs to the partnership; and

(ii) according to s. 34(b) TMA, "any equities in respect of a trade mark may be enforced in like manner as in respect of any other personal property". If a partner has registered a trade mark which belongs to the partnership in the partner's own name, the partner is the registered proprietor of the trade mark in trust for the partnership. In *Sanmaru Overseas Marketing Sdn Bhd & Anor v. PT Indofood Interna Corp & Ors* [2009] 3 CLJ 10; [2009] 2 MLJ 765, at paras. [50]-[53] and [156]-[167], the Court of Appeal in two judgments by Zaleha Zahari JCA (as she then was) and Abdul Malik Ishak JCA applied the equitable doctrine of bare trust to hold an assignor of a registered trade mark to be a constructive trustee of the registered trade mark for the benefit of the assignee.

Has Defendants' Firm Abandoned Chang Jiang Mark?

[23] The plaintiffs are barred by s. 28(7) TMA from submitting that the defendants' firm has abandoned Chang Jiang mark when the registration of the defendants' firm under RBA has expired on 12 May 2012 – please see the above para [a].

[24] Even if it is assumed that s. 28(7) TMA does not bar the plaintiffs from raising the issue of abandonment of Chang Jiang mark, I am of the following view:

(i) the expiry of registration of a business under RBA does not necessarily mean that the business has in fact ceased or that the business has actually stopped using a trade mark. In this case, the first defendant has given a reasonable explanation in her affidavit why the registration of defendants' firm under RBA has lapsed – the business of the defendants' firm has been transferred to CJWCM. Unless prohibited by law, either expressly or by necessary implication, the law allows parties to arrange their own affairs in a manner as they see fit;

(ii) if a business has in fact stopped the use of a trade mark in the course of trade, such a cessation does not necessarily amount to an abandonment of the trade mark by the business. I cite Pennycuick VC's judgment in the English High Court case of *Ad-Lib Club Ltd v. Granville* [1971] 2 All ER 300, at 303 as follows:

> *It seems to me clear on principle and on authority that where a trader ceases to carry on his business he may nonetheless retain for at any rate some period of time the goodwill attached to that business. Indeed it is obvious. He may wish to re-open the business or he may wish to sell it. It further seems to me clear in principle and on authority that so long as he does retain the goodwill in connection with his business he must also be able to enforce his rights in respect of any name which is attached to that goodwill. It must be a question of fact and degree at what point in time a trader who has either temporarily or permanently closed down his business should be treated as no longer having any goodwill in that business or in any name attached to it which he is entitled to have protected by law.* (emphasis added).

Based on *Ad-Lib Club*, the fact that the registration of the defendants' firm under RBA has expired on 12 May 2012 does not mean that the defendants' firm has abandoned the use of Chang Jiang mark; and

(iii) the plaintiffs have alleged a particular fact, namely the defendants' firm has abandoned Chang Jiang mark (particular fact). Under s. 103 of the Evidence Act 1950 (EA), the plaintiffs have the evidential burden to prove the particular fact. The plaintiffs have failed to discharge the evidential burden under s. 103 EA to prove the particular fact because no evidence has been led by the defendant to prove the particular fact.

Is First User Subject To Likelihood Of Deception/Confusion Requirement?

[25] Firstly, the plaintiffs cannot avail themselves of s. 19(1)(a) or (b) TMA because those provisions prohibit the registration of a trade mark which causes a likelihood of deception/confusion with another trade mark which has been registered.

[26] As elaborated in the above para. [11], the first defendant was the first user of Chang Jiang mark. I am of the view that the likelihood of deception/confusion requirement in the first limb of s. 14(1)(a) TMA does not apply to a first user. This is because at the time of the first use of the trade mark in question, there is no use of other similar trade marks which can cause a likelihood of deception/confusion. Furthermore, the onus is on traders (other than the first user) not to use trade marks which may cause a likelihood of deception/confusion with the first user's trade mark. I rely on Lord Jauncey's judgment in the House of Lords in a passing off case, *Reckitt & Colman Products Ltd v. Borden Inc & Ors* [1990] 1 All ER 873, at p. 894, as follows:

> My Lords, if I had been asked to express my views on this matter without the aid of able argument and copious citation of authority but guided by common sense, *I should have stated the following propositions.*
>
> …
>
> (c) *Where trader A enters the market to compete with trader B whose goods have acquired a reputation and are identified by a particular get-up it will be a question of degree to what extent trader A must differentiate his get-up from that of trader B in order to avoid deception. If B's goods have been in the market for a relatively short time with a get-up which is not particularly distinctive, the steps required to differentiate may not be very substantial. If, on the other hand, those goods have been in the market for a long time with a particularly distinctive get-up then A, seeking to market his goods with a similar get-up, will require to take far more drastic steps to inform the public that his goods are not those of B, since the public, having long become used to such a get-up as identifying the goods of B, are likely to be less mindful of differences in detail.* (emphasis added).

Whether Chang Jiang Mark Is Distinctive Of First Defendant's Goods

[27] It is not disputed that the first defendant has to prove that Chang Jiang mark is distinctive of the first defendant's goods on 11 August 2014 (the date of the first defendant's application) within the meaning of s. 10(2A), (2B)(a) and (b) TMA – please see the Federal Court's judgment delivered by Zulkefli Makinudin CJ (Malaya) (as he then was) in *Yong Teng Hing b/s Hong Kong Trading Co & Anor v. Walton International Ltd* [2012] 6 CLJ 337, at para. [7].

[28] Section 10(2A), (2B)(a) and (b) TMA provides as follows:

> s 10 *Registrable trade marks*
>
> …
>
> (2A) *For the purposes of this section, "distinctive", in relation to the trade mark registered or proposed to be registered in respect of goods or services, means the trade mark must be capable of distinguishing goods or services with which the proprietor of the trade mark is or may be connected in the course of trade from goods or services in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered, subject to conditions, amendments, modifications or limitations, in relation to use within the extent of the registration.*

A (2B) *In determining whether a trade mark is capable of distinguishing as aforesaid, regard may be had to the extent to which:*

(a) *the trade mark is inherently capable of distinguishing as aforesaid; and*

(b) *by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact capable of distinguishing as aforesaid.* (emphasis added).

B

[29] In *Kraft Foods Schweiz Holding GmbH v. Pendaftar Cap Dagangan* [2016] 9 CLJ 558; [2016] 11 MLJ 702, at paras. [41]-[47], I have interpreted s. 10(2A), (2B)(a) and (b) TMA based on English cases which have construed the then applicable s. 9(2), (3)(a) and (b) of United Kingdom's Trade Marks Act 1938 (TMA 1938 (UK)). Section 9(2), (3)(a) and (b) TMA 1938 (UK)
C are similar (not identical) to our s. 10(2A), (2B)(a) and (b) TMA.

[30] There is neither evidence nor reason for this court to intervene regarding the Registrar's decision that Chang Jiang mark is distinctive of the first defendant's goods on 11 August 2014. Such a decision is premised on
D the following evidence and reasons:

(i) on 11 August 2014, Chang Jiang mark is inherently distinctive under s. 10(2A) and (2B)(a) TMA because other traders are not likely, in the ordinary course of their business and without any improper motive, to desire to use Chang Jiang mark or some mark nearly resembling Chang
E Jiang mark, upon or in connection with their own goods – please see Lord Parker's decision in the House of Lords in *Re W & G Du Cros Ltd's Application* [1913] AC 624, at 634-635;

(ii) Chang Jiang mark is factually distinctive of the first defendant's goods on 11 August 2014 within the meaning of s. 10(2A) and (2B)(b) TMA
F because there is evidence of use of that mark by the first defendant; and

(iii) in view of the above sub-paras. (i) and (ii), on 11 August 2014, Chang Jiang mark is "capable of distinguishing" the first defendant's goods from all other goods within the meaning of s. 10(2A), (2B)(a) and (b) TMA. In the House of Lords case of *Yorkshire Copper Works Ltd v. Registrar of Trade Marks* [1954] 1 All ER 570, at 571-572, Lord Simonds
G LC has decided that the word "may" in s. 9(3) TMA 1938 (UK) (similar to our s. 10(2B) TMA) is mandatory in the sense that both the "inherent distinctiveness" requirement and "factual distinctiveness" requirement should be considered together.

H

Can Court Order Registration Of Plaintiffs' Mark?

[31] Prayer 4 of this OS has applied for a court order to direct the Registrar to register the plaintiffs' mark for goods in Class 30 (prayer 4). I cannot allow prayer 4 for the following reasons:

I (i) the court has only the following powers under s. 28(4)(a) to (c) and (6) TMA:

(a) the court may uphold a Registrar's decision to register a trade mark absolutely;

(b) the court may affirm a Registrar's decision to register a trade mark and impose any condition, amendment, modification or limitation regarding the use of the trade mark;

(c) the court may reverse a Registrar's decision to register a trade mark; or

(d) the court may reverse a Registrar's refusal to register a trade mark and order the trade mark to be registered, either absolutely or subject to any condition, amendment, modification or limitation; and

(ii) the Registrar has a discretionary power under s. 25(3) TMA to decide the plaintiffs' application. The court should not usurp the statutory power conferred by Parliament on the Registrar under s. 25(3) TMA by allowing prayer 4 – please see *Lim Teck Lee (Malaysia) Sdn Bhd v. Longcane Industries Sdn Bhd* [2017] 1 LNS 604; [2017] MLJU 620, at para. [36].

Whether Plaintiffs Can Rely On ss. 45(1)(a), 46(1)(a) And (b) TMA

[32] I have not overlooked the plaintiffs' submission based on ss. 45(1)(a), 46(1)(a) and (b) TMA. This OS does not concern those statutory provisions.

Summary Of Court's Decision

[33] In conclusion, this OS is dismissed with costs on the following grounds:

(i) as the second and third defendants are not previously parties before the Registrar, the plaintiffs cannot cite them in this OS. Furthermore, it is unjust to cite the second and third defendants in this OS because they do not have an opportunity to adduce evidence and submit before the Registrar;

(ii) the plaintiffs are barred by the mandatory s. 28(7) TMA from relying on new grounds to support this OS when the new grounds have not been stated in the notice of opposition and the plaintiffs have not obtained leave of court to rely on the new grounds;

(iii) the Chinese newspaper publication supported the Registrar's decision that the first defendant was first user of Chang Jiang mark. In this regard, the following matters do not constitute evidence of "use" of Chang Jiang mark within the meaning of s. 3(2)(a) and (b) TMA:

A

(a) the registration dates of the plaintiffs' firm, defendants' firm and first plaintiff's business under RBA; and

(b) Mr. Kong's letter;

(iv) TMA does not prohibit a partner from applying in the partner's own name to register a trade mark which belongs to the partnership;

B

(v) the expiry of registration of the defendants' firm under RBA:

(a) was due to the fact that business of the defendants' firm had been transferred to CJWCM; and

C

(b) did not mean that the defendants' firm had abandoned the use of Chang Jiang mark;

(vi) the likelihood of deception/confusion requirement in the first limb of s. 14(1)(a) TMA does not apply to the first defendant who is the first user of Chang Jiang mark;

D

(vii) on 11 August 2014 Chang Jiang mark is distinctive of the first defendant's goods within the meaning of s. 10(2A), (2B)(a) and (b) TMA; and

(viii) the court has no power under s. 28(4)(a) to (c) and (6) TMA to order the Registrar to register the plaintiffs' mark for goods in Class 30.

E

F

G

H

I

ANNEXURE A

CHANG JIANG MARK

ANNEXURE B

PLAINTIFFS' MARK